

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
DISCIPLINARY COMMISSION OF THE SUPREME COURT
July 1, 2002 to June 30, 2004



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Secretary	Mr. Donald R. Lundberg	07-01-02 to 06-30-05
Chairperson of the Commission	Mr. Grant W. Hawkins	09-14-01 to 07-11-02
	Mr. William F. Lawler, Jr.	07-12-02 to 10-02-02
	Mr. David L. Hale	11-08-02 to 06-30-03
	Ms. Janet L. Biddle	07-01-03 to 07-08-04
	Ms. Diane L. Bender	07-09-04 to 06-30-05
Chief Justice of the Supreme Court	Hon. Randall T. Shepard	03-05-02 to 03-04-07



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DISCIPLINARY COMMISSION OF THE SUPREME COURT

We have examined the Schedule of Receipts, Disbursements, and Cash and Investment Balances of the Disciplinary Commission of the Supreme Court (Commission), for the period of July 1, 2002, to June 30, 2004. The Commission's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Receipts, Disbursements, and Cash and Investment Balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Commission for the years ended June 30, 2003 and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 17, 2005

DISCIPLINARY COMMISSION OF THE SUPREME COURT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2003 and 2004

	<u>2003</u>	<u>2004</u>
Cash and Investments, July 1	\$ 733,149	\$ 761,812
Receipts:		
Registration Fees	1,354,310	1,353,082
Delinquent Fees	106,780	137,496
Reinstatement Fees	1,500	4,000
Judges and Lawyers Assistance	157,910	192,228
Hearing Costs Collected	18,642	38,644
Interest Income	9,320	4,903
Miscellaneous	<u>1,770</u>	<u>1,169</u>
Total Receipts	<u>1,650,232</u>	<u>1,731,522</u>
Disbursements:		
Personnel Services	1,173,988	1,206,157
Travel	36,288	43,307
Investigations and Hearings	38,172	25,189
Dues, Subscriptions and Fees	9,485	10,828
Postage and Supplies	25,490	34,767
Utilities, Rent and Parking	134,216	137,959
Insurance and Maintenance	4,986	5,925
Equipment	8,127	3,393
Judges and Lawyers Assistance	184,500	166,516
Miscellaneous	<u>6,317</u>	<u>4,756</u>
Total Disbursements	<u>1,621,569</u>	<u>1,638,797</u>
Excess of Receipts Over Disbursements	<u>28,663</u>	<u>92,725</u>
Cash and Investments, June 30	<u>\$ 761,812</u>	<u>\$ 854,537</u>

The accompanying notes are an integral part of the schedule.

DISCIPLINARY COMMISSION OF THE SUPREME COURT
NOTES TO SCHEDULE

Note 1. Introduction

As an agency of the judicial branch of government, the Disciplinary Commission of the Supreme Court is responsible for the investigation and prosecution of claims of misconduct against lawyers licensed to practice law in Indiana and for protecting lawyers against unwarranted claims of misconduct.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at June 30, 2003, and June 30, 2004, were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

Indiana Code 5-13-9 authorizes the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

DISCIPLINARY COMMISSION OF THE SUPREME COURT
NOTES TO SCHEDULE
(Continued)

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Commission contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Commission authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

DISCIPLINARY COMMISSION OF THE SUPREME COURT
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2005, with Mr. Donald R. Lundberg. Our examination disclosed no material items that warrant comment at this time.